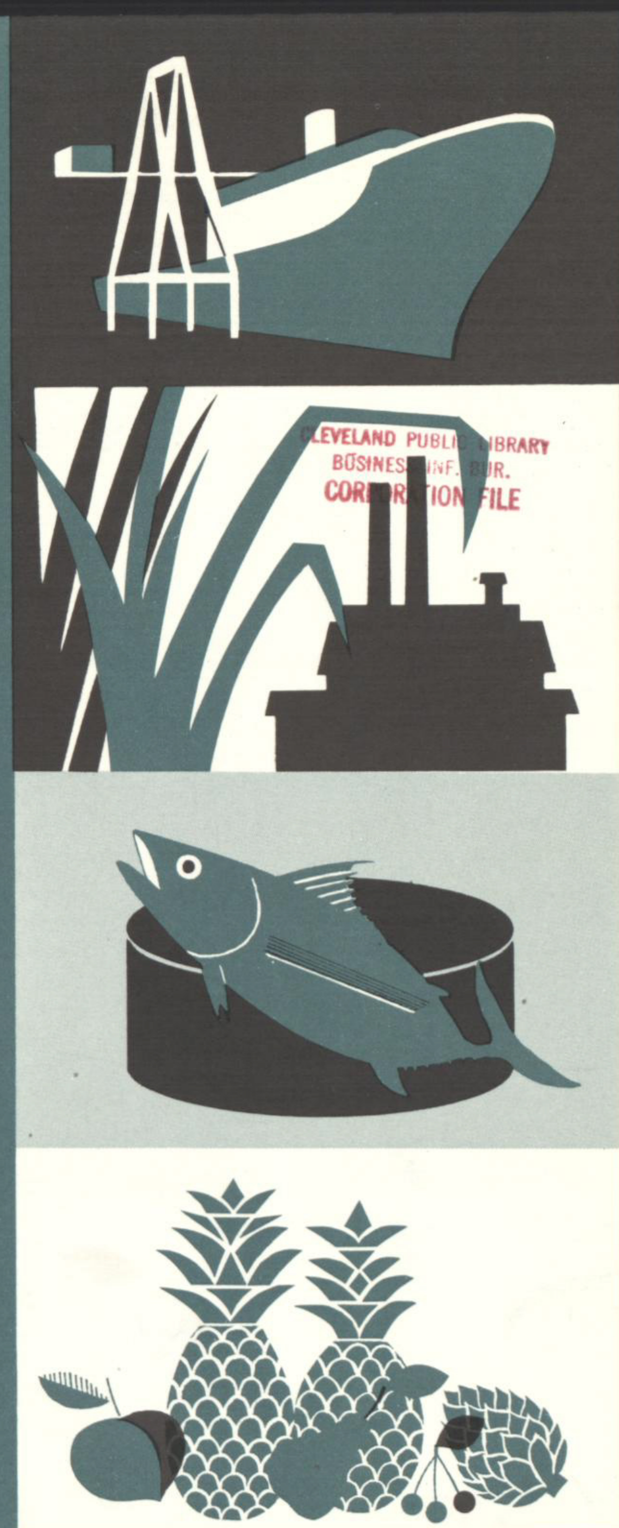
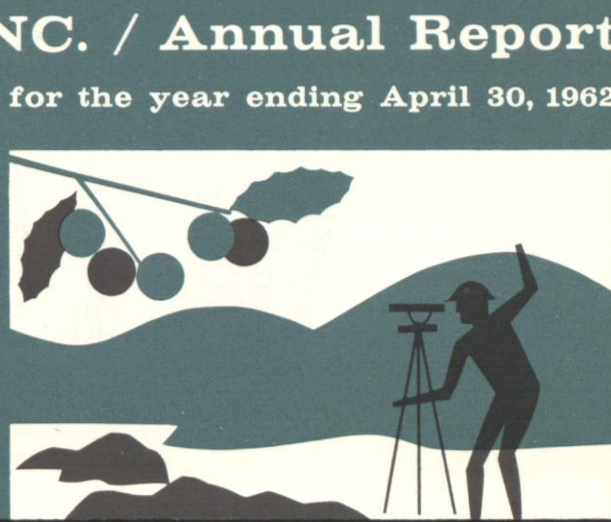


CASTLE & COOKE, INC. / Annual Report

for the year ending April 30, 1962



Castle & Cooke, Inc. Annual Report For the Year Ending April 30, 1962

The Year in Brief

SALES *Castle & Cooke, Inc., consolidated revenues totaled $155,328,717.*

EARNINGS *Consolidated net income amounted to $4,592,392 or $1.96 per share.*

CAPITAL GAIN *Distributions from liquidation of Honolulu Oil Corporation resulted in a non-recurring capital gain of $16,486,483.*

BUMBLE BEE SEAFOODS, INC. *This subsidiary reported new record sales of $29,800,000 and new record earnings of $1,721,000.*

DOLE CORPORATION *This subsidiary reported sales of $82,112,900 and net earnings of $579,287.*

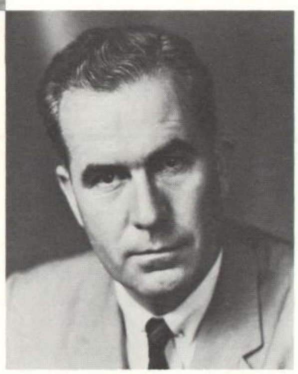
SUGAR PRODUCTION *Each of the three affiliated plantations showed a profit but results varied.*

LAND DEVELOPMENT *Oceanic Properties Inc., new land management subsidiary, has plans for a complete new town on Oahu. The project is awaiting approval by government agencies.*

LABOR RELATIONS *Three maritime strikes reduced income from stevedoring and freight agency operations and affected other business. New agreements have been signed covering stevedoring, sugar and pineapple.*

Letter to Castle & Cooke Shareholders:

A. G. Budge



Malcolm MacNaughton

This is the first annual report since the merger May 31, 1961. At that time Castle & Cooke, Inc., began reporting results on a May 1 to April 30 fiscal year. Bumble Bee Seafoods, Inc., and Dole Corporation became wholly owned subsidiaries, and Oceanic Properties Inc., emerged as a land management subsidiary. Their earnings are consolidated with those of Castle & Cooke and its other subsidiaries for purposes of this report.

During the year Castle & Cooke, Inc., purchased additional shares of Ewa Plantation Company, thereby attaining a position of majority ownership. Ewa's earnings, along with those of Waialua Agricultural Company, Limited and Kohala Sugar Company, are consolidated in this report to the extent of Castle & Cooke's ownership.

Consolidated revenues totaled $155,328,717. Consolidated net income, other than from liquidation of Honolulu Oil Corporation, was $4,592,392 or $1.96 per share. Distributions received to date on Honolulu Oil stock owned by Castle & Cooke have totaled $22,971,148 resulting in a net non-recurring capital gain of $16,486,483 after payment of federal and state taxes. Some of this money was used to pay off borrowings, to advance capital for the acquisition of a new Bumble Bee cannery at Cambridge, Maryland, and to purchase the additional shares of Ewa stock. The balance remains for expansion in the food industry or other requirements.

Besides the Honolulu Oil distribution, two other sales during the year changed our portfolio of investments slightly. The company's interest in Kentron Hawaii, Ltd., was sold for $170,000 which returned a modest profit, and the 4,732 shares of Hawaiian Trust Co., Ltd., held were sold for $80 per share or about three times the cost.

When considering the company's earnings statistics, it should be remembered that because of the merger and the change in the fiscal year, accurate comparisons with prior years are not feasible.

Dole prices and margins were depressed by intense competition from both domestic fruit and vegetable products and foreign imports of pineapple. Furthermore, because of the change in its fiscal year, Dole's results cover only 11 months of operations, and they

do not include earnings from Mililani Memorial Park, now a subsidiary of Oceanic Properties.

Castle & Cooke's interests in sugar and pineapple production will benefit from a graduated reduction in the two per cent state tax on manufacturing. The last session of the State Legislature reduced the tax from two to 1½ per cent effective July 1, 1962, and provided for two further reductions of one-half of one per cent which will become effective July 1, 1963 and July 1, 1964.

Three maritime strikes in the year adversely affected freight agency and stevedoring income and disrupted pineapple, sugar and macadamia shipments, and other business.

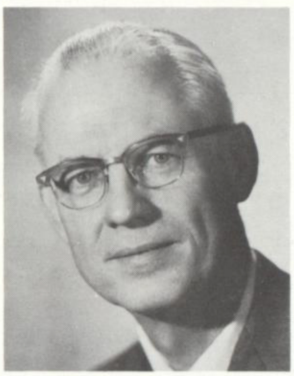
Substantial but non-recurring expenses related to the merger and the organization of our new subsidiary, Oceanic Properties Inc., were encountered as expected.

Results from sugar operations were varied—a good crop at Waialua, somewhat disappointing yields at Ewa and continuing drought conditions at Kohala.

Bumble Bee Seafoods reported record earnings with sales at a new high for the sixth consecutive year, double the volume ten years ago.

Since the merger and the listing on the Pacific Coast Stock Exchange last June, there has been widespread interest in Castle & Cooke. There now are approximately 10,000 shareholders, two-thirds of whom are Mainland residents representing virtually every state in the nation.

It is with sadness we report the death during the year of J. Ballard Atherton, a valued director and a descendant of one of the company's original founders. Few men in the history of Hawaii have done more to leave behind such a record of ability, integrity and selfless service to the community.



J. Ballard Atherton

In closing this preface to the report we wish to express appreciation to employees of all the companies and to the fishermen who helped achieve the results covered in the following pages.

A G Budge

A. G. Budge, Chairman of the Board

Malcolm MacNaughton

Malcolm MacNaughton, President

A brail load of fish comes up out of the seine. There are about 200 pounds of sockeye salmon in this load.

These lines of women employees in immaculate white uniforms are packing salmon in cans at Bumble Bee's main cannery at Astoria.

Photographs on pages 4 & 5 are by Joe Van Wormer of Bend, Oregon.

FOOD PRODUCTION

Bumble Bee Seafoods

Sales and earnings were the highest in the 62-year history of Bumble Bee Seafoods, Inc. Sales amounted to $29,800,000, exceeding by 6.9 per cent the record of the preceding year. This set a new high for the sixth consecutive year and was more than double the volume ten years ago. Earnings totaled $1,721,-000, compared with $1,428,000 for the prior year.

Canned seafood production was 2,119,818 cases compared to 1,703,141 cases in 1960-61. The company's widespread operations in Alaska benefited from the second consecutive large run of red salmon in Bristol Bay and from improved fishing in Southeastern Alaskan waters. Alaska production was 30 per cent in excess of the pack in 1960.

Good tuna fishing in Hawaiian waters resulted in the highest production in 10 years. These catches offset smaller returns of albacore from the Oregon and Washington coastal areas. Receipts of frozen albacore and yellowfin from other tuna producing regions enabled the company to establish pack records at its canneries at Astoria and Honolulu.

In October, 1961, Maryland Tuna Corp., 60 per cent owned by Bumble Bee and 40 per cent by Taiyo-California, Inc., acquired a large cold storage plant and warehouse at Cambridge, Maryland. A modern tuna cannery has been installed in these premises and cannery operations started in April, 1962, with Taiyo's fleet supplying fish from Atlantic areas. Total capital expenditure in buying and developing these facilities approximated $2,000,000.

Taiyo-California, Inc., is a wholly owned subsidiary of Taiyo-Gyogyo Kabushiki Kaisha of Tokyo, possibly the largest fish producing company in the world.

The Excursion Inlet Packing Company, now one-third owned by Bumble Bee, has acquired Pelican Packing Company, located on Icy Straits in southeastern Alaska. Catches by the former Pelican fleet will be processed at the Excursion Inlet plant. This should increase Bumble Bee's previous production from this area.

The 1962-1963 packing operations were all projected to start on schedule. In anticipation of a shorter run of red salmon in Bristol Bay, the company's operations in this area are being curtailed.

Harvest crews picking pineapple place the fruit on a long boom-conveyor. Lights are used during night operations.

Normal operations are planned in Central and Southeastern Alaska. The first month of fishing on the Columbia River has been completed and the pack to date is substantially larger than the prior year. A short run of sockeye salmon is anticipated on Puget Sound.

This is a view of the new juice canning operation at Dole's Honolulu plant. A centrifuge system spins the juice at high speed, reducing solid content and providing the "Flavor-Spun" trademark.

Dole Corporation

On December 4, 1961, Dole Corporation observed its sixtieth anniversary.

Sales for the 11 months covered by this report totaled $82,112,900. This was 3.7 per cent ahead of the same period in the prior year, but below total dollar volume for the full 1960-1961 year. Net earnings were $579,287, somewhat below the total for the prior comparable period from food operations. These results do not include earnings of Mililani Memorial Park, as they did for the previous year.

Profits were influenced unfavorably by the short fiscal year, lower average sales prices for all principal items and rising costs. Average prices per case for pineapple and pineapple juice were down three per cent from the prior year.

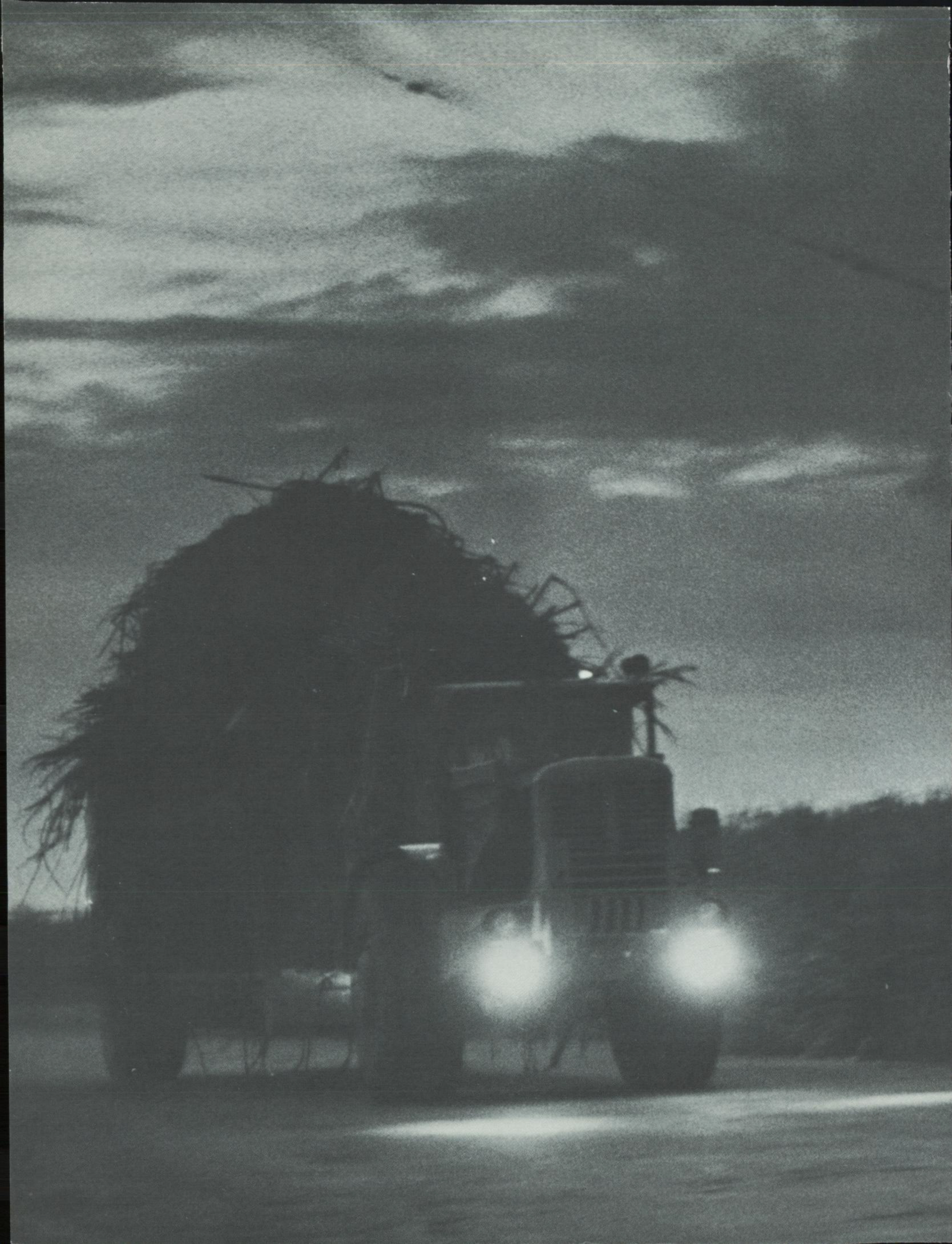
Fruit cocktail, the company's principal item produced on the Mainland, sold at unprofitable prices throughout the year because of surplus production. Dole's tomato pack fell short of marketing requirements because of raw product shortages.

Three maritime disputes disrupted pineapple shipments and upset plans for special promotions in Mainland stores.

Dole looks forward, however, to continued labor stability in Hawaii following the signing of a three-year contract with the International Longshoremen's and Warehousemen's Union.

A number of future cost reductions were initiated during the year. The company entered a five-year agreement with Libby, McNeill & Libby to supply 100 million cans annually on an exchange basis. Dole's Honolulu plant is now manufacturing cans for Libby's Hawaiian products, and Libby's Sacramento plant furnishes cans for Dole plants in San Jose and Oakland. The exchange will mean savings for both companies, and makes Dole the largest can manufacturer in Hawaii.

A contract signed with Matson Navigation Company calls for pineapple shipments to Mainland



A giant Tournahauler with about 30 tons of cane heads for the mill during night harvesting at Ewa plantation.

ports each month in specified amounts. This shipping plan will enable Matson to lower operating costs and the pineapple industry will obtain better freight rates than otherwise possible.

Installation was completed on a new pineapple juice line that permits cold-filling of cans and nitrogen blanketing of the product. This process improves flavor and involves whirling the juice in a centrifuge system from which the name, "Flavor-Spun", is derived. This trademark is now being featured in Dole's national advertising.

A leading drug manufacturer, William H. Rorer, Inc., introduced Ananase, a drug made of bromelain, an enzyme obtained from pineapple stems. Sold on prescription, this anti-inflammatory pill is effective in the treatment of sprains, bruises, pulled muscles and similar injuries. It is too early to evaluate the economic importance of Ananase to Dole because the extent of the market is not yet known, and bromelain must yet demonstrate its superior effectiveness to competing drugs.

Henry A. White retired as chairman of the board in December. He served as Dole president from 1941 to 1958 and his service to Dole and Castle & Cooke together totaled 41 years.

This planting machine drops sections of seed cane into furrows. The Ewa mill is shown in the background.

Sugar Operations

The three subsidiary plantation companies produced 160,798 tons of raw sugar during the fiscal year. This was somewhat below normal capacity.

Hawaii's sugar industry enjoyed reasonably stable labor relations during the period covered by this report. The industry-wide contract with the International Longshoremen's and Warehousemen's Union extends to January 31, 1963.

As the Sugar Act was about to expire June 30, 1962, Congress enacted a new compromise measure which makes some quota adjustments but is regarded by the domestic industry as generally satisfactory. The new law will extend over 4½ years.

It is anticipated that beet competition will remain keen. California and Hawaiian Sugar Refining Corporation is continuing an aggressive advertising and marketing program which produced a moderate sales increase in the West Central Territory in the calendar year 1961.

An aerial view of the Royal Hawaiian Macadamia nut orchard of 1,100 acres near Hilo on the Island of Hawaii. The macadamia trees are protected by wind-breaks of Norfolk pine.

At Ewa abnormal rains in the late winter and spring months interrupted harvesting. There also was a decline in yield in sugar per ton of cane in the summer and fall of 1961.

The combination of these factors resulted in a disappointing crop of 51,543 tons, as compared with Ewa's normal capacity of about 60,000 tons. More than 500 acres originally scheduled for harvest during the 1961-1962 period had to be carried over to 1962-1963 because of adverse weather.

Kohala's crop totaled 44,451 tons, including 1,035 tons from independent planters. Because of abnormally dry weather, 1,635 acres were harvested ahead of schedule. This will have the effect of reducing production for the 1962-1963 fiscal year to an estimated 40,000 tons.

Kohala has been expanding installation of an overhead irrigation system. It is expected better water distribution will stabilize production, improve yields and reduce field costs.

Waialua's production credited to the fiscal year was 64,804 tons of sugar. This was the first year of normal production since 1957. Cane and sugar yields returned to levels they had attained prior to the 1958 industry-wide strike.

At Castle & Cooke's macadamia nut processing plant near Hilo, Hawaii, the accent is on quality. This photo shows employees inspecting nuts for uniformity of size and color.

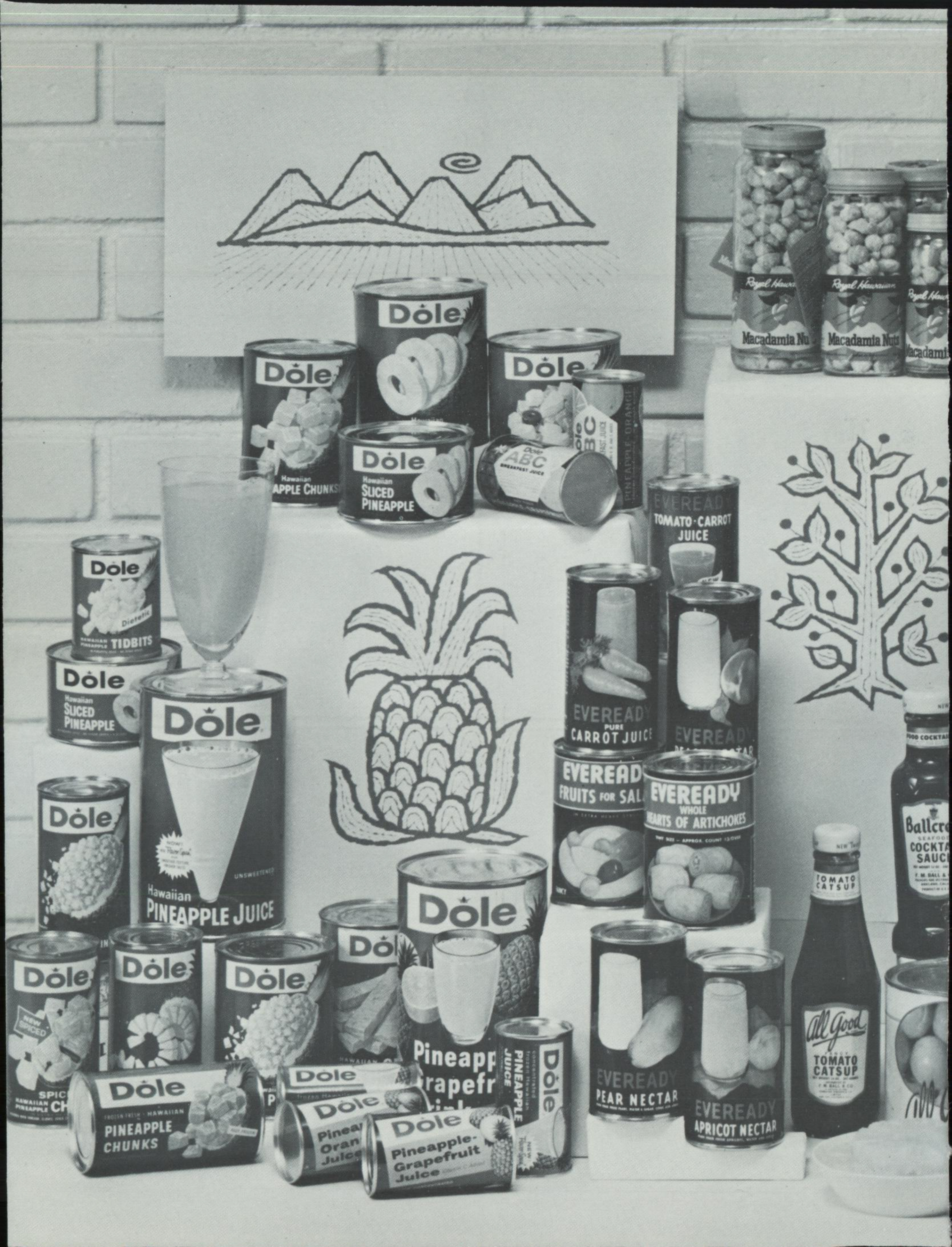
Royal Hawaiian Macadamia Nuts

To coordinate operational activities and to establish trade identity, the former macadamia division was organized this year as the Royal Hawaiian Macadamia Nut Company, a division of Castle & Cooke.

The 1,100-acre orchard on the Island of Hawaii was planted in 200-acre-per-year increments during the period 1949 through 1954. This year most trees reached commercial bearing age. While the 1961 crop was excellent, it still is not large enough to permit a profit from the division's operations.

Macadamia nut sales increased 42 per cent over the previous year as the product found its way into more fine food stores. Increasing amounts of bulk macadamias were sold to confectioners, bakeries and ice cream manufacturers in Hawaii. Successful macadamia nut ice cream promotions also were conducted on the Mainland.

With production increases, the macadamia nut venture should show a profit in about two years.



Dole
Hawaiian Sliced Pineapple
Dole ABC Breakfast Juice
Eveready Tomato-Carrot Juice
Royal Hawaiian Macadamia Nuts
Dole Hawaiian Tidbits
Dole Hawaiian Pineapple Juice
Eveready Pure Carrot Juice
Eveready Fruits for Salad
Eveready Whole Hearts of Artichokes
Ballcrest Seafood Cocktail Sauce
Tomato Catsup
All Good Fancy Tomato Catsup
Dole Pineapple-Grapefruit Drink
Dole Pineapple Chunks
Dole Pineapple Juice
Dole Pineapple-Grapefruit Juice
Eveready Pear Nectar
Eveready Apricot Nectar

Shown here are some of the food products of Castle & Cooke and affiliated companies, including Bumble Bee seafoods, Dole fruit, vegetables and juices, Royal Hawaiian Macadamia Nuts, and C and H sugar. (All sugar produced in Hawaii, including that from Castle & Cooke's three plantations, is refined and marketed by the California and Hawaiian Sugar Refining Corporation.)

To test the plans for a proposed new town for the Island of Oahu, Oceanic Properties Inc. built an exact scale model.

Oceanic Properties Inc.

Oceanic Properties Inc., was established by the merger as the third major wholly owned subsidiary of Castle & Cooke. This firm was organized to assess opportunities for acquiring and planning use of lands which have developmental possibilities in Hawaii or elsewhere. In addition, it was assigned the responsibility for planning long-range use of substantial acreage owned or leased by Castle & Cooke and the latter's affiliates.

Pending analysis of its full requirements, Oceanic was equipped with working capital and was assigned certain lands of the associated companies that have been inviting development. It was also assigned management of certain existing companies whose activities were land-oriented. The latter included Mililani Memorial Park, Blackhawk Ranch Co., and Queen Emma Gardens, Ltd.

The memorial park is a perpetual care cemetery in central Oahu that has received excellent community support, and has become one of the scenic attractions of rural Honolulu.

Blackhawk Ranch Co., manages 6,500 acres of land owned by Castle & Cooke on the slopes of Mt. Diablo in Contra Costa County, California, as a cattle ranch and walnut orchard. The company closed the year with a modest profit. This property was acquired six years ago as a long-term real estate investment. Highway improvements and plans to bring municipal water service to the area encourage prospects for this property.

Oceanic staff members and consultants inspect the Waipio model during its early stages.

Queen Emma Gardens will be the first large-scale redevelopment project in downtown Honolulu. Queen Emma Gardens, Ltd., was the successful bidder for the project and is 40 per cent owned by Castle & Cooke. Oceanic Properties is acting as business manager for the venture. Ground-breaking for one 12-story and two 24-story apartment towers to house approximately 600 families is scheduled for this summer.

A major share of Oceanic activity during the period of this report has been devoted to a review of the 156,000 acres of land owned and the 46,000 acres leased by Castle & Cooke and the associated companies, with a view to establishing their highest and best use. The most important project in this connection was the preliminary planning of a model community of 15,000 dwelling units on 3,000

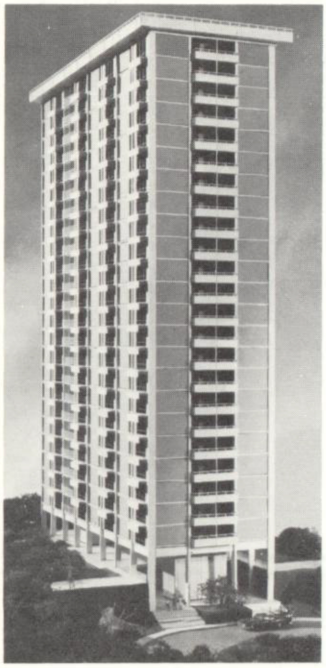
acres of land overlooking Pearl Harbor on the Island of Oahu.

The planning embraces advanced concepts of integrated development and environmental design, combining an extensive permanent green belt, agricultural, recreational and open areas with urban use and a complete range of community facilities.

Studies have shown that new low cost and moderate cost homes could be built and sold on fee simple or lease land, at the buyer's option, at prices which will meet a continuing demand for the foreseeable future. The new town proposal is under review by the several government agencies whose approval must be obtained before work can proceed.

The possibility of acquiring and developing additional Mainland property was studied, including a tract development outside Los Angeles and industrial acreage in the San Francisco Bay area.

While Oceanic received income from existing subsidiary companies assigned to it and from agency fees, it did not generate new sources of income during the period of this report. Operations should be on a profitable basis by the year 1963-1964.



This is a model of one of two 24-story apartment buildings to be constructed by Queen Emma Gardens, Ltd., as part of a redevelopment project in Honolulu.

Shipping and Stevedoring

The three maritime strikes adversely affected earnings of Castle & Cooke's freight agency and the stevedoring subsidiary, Castle & Cooke Terminals.

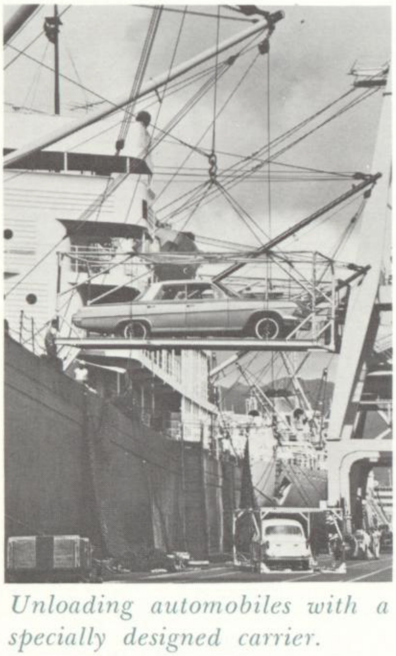
Tonnage carried by Matson to and from Hawaii declined approximately six per cent from 1961, partly as a result of these strikes, but also because of curtailment in Matson's service from the Northwest and increased barge competition.

Castle & Cooke Terminals' operating results were mixed. While there was continued improvement in cargo handling facility due in part to increased containerization and the special-purpose automobile vessel, contract rates on the other cargoes did not allow for an adequate return. An interim contract was agreed upon effective January, 1962, which will mitigate the losses experienced. Negotiations for new agency and stevedore agreements were continuing at the end of the fiscal year.

Longshore negotiations with the ILWU were begun in April, 1961 and were partially resolved in November with an arbitrator's award establishing

An increasing volume of cargo shipped to Honolulu is now moving in containers such as those shown here at the Diamond Head terminal.

an annual industry mechanization and stabilization fund of $550,000. In January, the arbitrator issued a number of rulings on other items still in dispute but retained jurisdiction of issues of work force responsibility and operating efficiencies. If these two items were unresolved by further negotiations, the arbitrator was to rule on the issues with his rulings to be final on such matters as gang sizes, load limits, and working rules. This settlement followed the pattern previously established in Pacific Coast negotiations.



Unloading automobiles with a specially designed carrier.

Castle & Cooke's freight agency continued to represent Matson service to shippers and consignees in the port of Honolulu.

Matson's ability to continue to maintain freight service at a profitable rate of return depends largely on the Federal Maritime Board's determination of rate increase applications which were still pending when this was written.

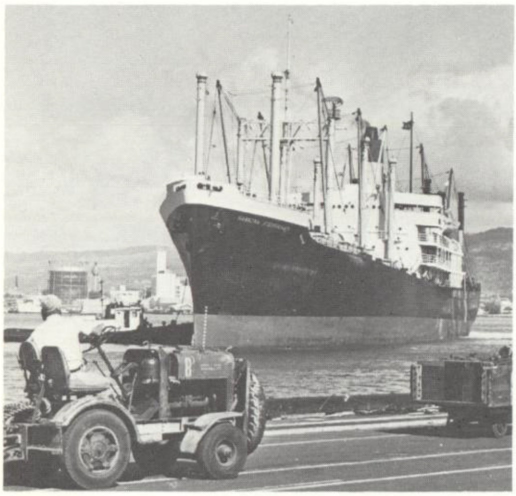
Kawaihae Terminals, Inc., on the Island of Hawaii and 55 per cent owned by Castle & Cooke, should benefit from harbor improvements which are under way. Through the cooperation of California and Hawaiian Sugar Refining Corporation in designating vessels to load sugar at Kawaihae, the port was able to obtain inward cargo in excess of previous years.

Industrial Equipment Sales

Hawaiian Equipment Company, Limited, is a wholly owned subsidiary serving as distributor for trucks, tractors and other types of agricultural and industrial machinery on all the islands.

Sales grossed $6,500,000 in a market which was disturbed by strikes, keen competition and declining construction, and earnings were down.

In the latter part of the year the company opened a new plant in Hilo, consisting of two buildings providing sales, office, shop and warehouse facilities, on 4½ acres of leased land. The site of the company's former office and shop facilities in Hilo was sold because it did not provide enough space for expanding business requirements.



The Matson freighter Hawaiian Fisherman berthing in Honolulu harbor has been converted to serve as an automobile ship.

First Insurance Company

On August 11, 1961, the Home Insurance Company of Hawaii, Ltd., completed its 50th year and as of that date changed its name to First Insurance Company of Hawaii, Ltd. Castle & Cooke owns a 41 per cent interest in this company.

Premiums for the year 1961 totaled $10,173,753, a gain of five per cent over the prior comparable period. This represented a new high.

Net earnings for 1961 were $432,798 or $2.96 per share as compared with $319,463 or $2.18 per share for 1960. Fifty-eight cents of the per share earnings in 1961 were contributed by capital gains, principally as a result of liquidation of Honolulu Oil.

Dividends of $1.80 per share were paid in 1961 as compared with $1.58 for 1960, adjusted to reflect change in shares outstanding. Castle & Cooke received $108,000 in dividends from this source.

Matson Navigation Company

Largely as a result of work stoppages, Matson reported for the calendar year 1961 a consolidated loss of $1,067,000 after income tax credits. This compared with a profit of $2,599,000 in the prior year. No dividends were paid to stockholders. This contributed materially to the reduction in Castle & Cooke's earnings. In 1960 the company received $507,000 from this investment.

Consolidated Subsidiaries of Castle & Cooke, Inc.

	Shares Outstanding	Number of Shares Held	% of Total Outstanding
Blackhawk Ranch Co.	15,000	15,000	100.00
Bumble Bee Seafoods, Inc.	20,000	20,000	100.00
Castle & Cooke Terminals, Ltd.	75,000	75,000	100.00
Dole Corporation	150,000	150,000	100.00
Ewa Plantation Company	216,477	108,482	50.11
Hawaiian Equipment Co., Ltd.	150,000	150,000	100.00
Honouliuli Co., Ltd.	18,000	18,000	100.00
Kohala Ditch Co., Ltd.	5,000	5,000	100.00
Kohala Sugar Company	250,000	249,676	99.87
Maryland Tuna Corp.	15,000	9,000	60.00
Mililani Memorial Park, Inc.	25,000	25,000	100.00
Oceanic Properties, Inc.	100	100	100.00
Plantation Housing, Limited	5	5	100.00
Waialua Agricultural Co., Ltd.	550,747	300,000	54.47

Investments of Castle & Cooke, Inc., and Subsidiaries

Bay & River Navigation Company	17,000	2,925	17.21
Bishop Trust Co., Ltd.	121,168	4,774	3.94
California & Hawaiian Sugar Refining Corporation, Limited	151,785	23,535	15.51
CWC Fisheries, Inc.	100	50	50.00
Excursion Inlet Packing Co.	6,000	2,000	33.33
First Insurance Co. of Hawaii, Ltd.	146,387	60,000	40.99
Hawaiian Development Co., Ltd.	36,090	5,598	15.51
Hawaiian Hauling Service, Ltd.	12,000	4,000	33.33
Hawaiian-Philippine Co. (Pfd.)	398,778	59,187	14.84
Kawaihae Terminals, Inc.	20,000	11,000	55.00
Lake Union Terminals, Inc.	50,000	25,000	50.00
Matson Navigation Company	878,022	212,320	24.18
Oahu Transport Co., Ltd.	90,000	40,500	45.00
Queen Emma Gardens, Ltd.	475,050	187,525	39.47

Statement of Consolidated Financial Condition

AS OF APRIL 30, 1962

CURRENT ASSETS:		
Cash	$ 7,777,168	
Marketable securities—at cost less amortization	4,547,920	
Trade receivables—net of reserves $354,030	20,680,645	
Inventories	39,352,852	
Prepaid expenses	2,287,107	
Total		$ 74,645,692
DEDUCT CURRENT LIABILITIES:		
Notes payable, including current instalments on long-term debt	2,873,845	
Accounts payable	13,650,845	
Income taxes payable	5,616,699	
Total		22,141,389
WORKING CAPITAL		52,504,303
GROWING CROPS—Static values		5,300,000
INVESTMENTS		4,144,895
CALIFORNIA AND HAWAIIAN SUGAR REFINING CORPORATION, LIMITED—cost of equity		2,392,053
LAND—at cost		17,631,849
BUILDINGS, MACHINERY, AND EQUIPMENT—at cost (less accumulated depreciation, $63,252,724)		39,502,674
NON-CURRENT RECEIVABLES AND OTHER ASSETS—net of reserves $1,030,250		4,572,145
Total		126,047,919
DEDUCT:		
Notes and contracts payable, due after one year	10,232,159	
Deferred income and other credits	532,849	
Deferred income taxes	1,394,043	
Minority interests	11,049,808	
Total		23,208,859
NET ASSETS, REPRESENTING STOCKHOLDERS' EQUITY		$102,839,060
STOCKHOLDERS' EQUITY:		
Capital stock ($10 par value):		
Authorized, 5,000,000 shares		
Issued, 2,344,739 shares	$23,447,390	
Capital in excess of par value	1,427,233	
Capital arising from acquisition of subsidiaries' stock	15,783,855	
Retained earnings	62,198,413	
		$102,856,891
Less treasury stock (at cost), 417 shares		17,831
STOCKHOLDERS' EQUITY		$102,839,060

See Financial Notes

Statement of Consolidated Income and Retained Earnings

FOR THE YEAR ENDED APRIL 30, 1962

REVENUES:		
Food products, except sugar	$112,551,602	
Sugar	21,592,908	
Merchandising	8,108,256	
Service operations, including rentals	10,833,208	
Gain on disposal of capital assets	493,978	
Dividends, interest, and other revenues	1,748,765	
Total		$155,328,717
COSTS AND EXPENSES:		
Cost of products sold	110,367,744	
Selling, service, general, and administrative expenses	35,734,770	
Total		146,102,514
INCOME BEFORE INCOME TAXES		9,226,203
FEDERAL AND STATE INCOME TAXES		4,124,648
		5,101,555
MINORITY INTERESTS		509,163
NET INCOME		4,592,392
RETAINED EARNINGS, BEGINNING OF PERIOD		42,146,226
Gain on liquidating dividends on Honolulu Oil Corporation stock, net of income taxes		16,486,483
		63,225,101
Cash dividends	3,538,080	
Less prior period accrual	2,511,392	
		1,026,688
RETAINED EARNINGS, END OF PERIOD		$ 62,198,413

See Financial Notes

Financial Notes

(1) PRINCIPLES OF CONSOLIDATION

All companies in which Castle & Cooke, Inc. or its subsidiaries have majority ownership and which are on April 30 fiscal years are included in the accompanying consolidated financial statements. These companies are listed on the schedule of consolidated investments, page 19.

At May 31, 1961, Dole Corporation and Bumble Bee Seafoods, Inc. (formerly Columbia River Packers Association, Inc.) became wholly-owned subsidiaries of Castle & Cooke, Inc. after having been merged into that Company. These mergers were treated as poolings of interests.

The accompanying financial statements include the results of operations of all companies for the twelve months to April 30, 1962, except for Dole Corporation and Mililani Memorial Park, Inc., whose operations are for the eleven months from the close of their last fiscal years on May 31, 1961.

Intercompany transactions and accounts of a material nature have been, to the extent practicable, eliminated in consolidation.

(2) INVENTORIES

Inventories of finished manufactured products and raw materials are valued at the lower of cost or market, except for certain inventories of Dole Corporation amounting to $6,108,464, included at static unit values, which are substantially less than cost. Inventories of operating supplies are generally valued at the lower of cost or market.

(3) STOCK OPTIONS

Executives and key employees of the Company and its subsidiaries have been granted options to purchase capital stock. These options are exercisable cumulatively over a ten-year period from the date of the grants. Options for 18,627 shares were exercised during the current fiscal year, and at April 30, 1962, 99,607 shares were under option.

(4) LONG-TERM DEBT

Long-term debt of subsidiary companies at April 30, 1962, less current maturities, consists of the following:

Unsecured notes:	
3%, annual instalments of $500,000 until maturity, 1965	$3,500,000
4%, annual instalments of $275,000 until maturity, 1969	1,925,000
5¼%, annual instalments of $400,000 from 1963, balance in 1972	3,600,000
6½%, $25,000 due in 1964 and $125,000 in 1965	150,000
	9,175,000
Notes, contracts, and other long-term payables, trucks and other equipment pledged as collateral	1,057,159
	$10,232,159

(5) DEFERRED INCOME TAXES

One subsidiary company follows the instalment basis of reporting income for income tax purposes, although it records income from sales financed by long-term instalment notes as the sales are made. Because of this, accrued income taxes of $1,379,000 will not be payable until future years.

(6) RETAINED EARNINGS RESTRICTIONS

The terms of a long-term loan agreement limit the amount of retained earnings available for dividends by Dole Corporation (subsidiary). At April 30, 1962, Dole's retained earnings were $23,502,448, of which $22,212,448 was so restricted. This restriction also provides that no dividends may be paid unless working capital exceeds $15,000,000 and is at least 110% of the funded debt.

(7) DIVIDENDS PAID

Dividends were declared in April, 1961 payable during the year ended April 30, 1962 in the amount of $2,511,392 which amount was accrued on April 30, 1961 based on the number of shares of capital stock then outstanding. This represented an equalizing dividend on account of the merger of 16⅔ cents per share and distribution for the fiscal year of $1.40 per share. Upon the merger of Dole Corporation and Bumble Bee Seafoods, Inc. on May 31, 1961, additional shares of capital stock were issued upon which dividends totalling $1,026,688 not covered by the prior period's accrual were paid. Dividends paid during the year totaled $3,538,080.

(8) DEPRECIATION

Depreciation for the year amounted to $4,591,800. Depreciation is calculated on the straight-line method, except for certain equipment purchased subsequent to 1953, on which the sum-of-the-years' digits method is applied.

(9) GROWING CROPS

Growing crops of the sugar and pineapple subsidiary companies are stated at static values which are less than the current cost of the crops.

(10) COMMITMENTS AND CONTINGENT LIABILITIES

(a) There are contingent liabilities of $2,910,424 at April 30, 1962 to banks from discounted notes and endorsements of mortgage loans on real estate subdivisions.

(b) The Company and two subsidiaries are guarantors of their proportionate shares of loans on bulk sugar facilities at Honolulu and at Kawaihae, Hawaii amounting to $1,178,124 at April 30, 1962.

(c) All of the companies have insured retirement plans in effect for their employees. At April 30, 1962, the aggregate of unfunded commitments for past service and minimum benefits for these plans was approximately $1,830,664. For the year ended April 30, 1962, the cost of these plans was $1,204,810, of which $1,065,261 was on account of current service and $139,549 was applied to the unfunded commitments. The companies are amortizing the unfunded commitments over periods of time varying from 10 to 25 years.

This picture was taken June 1, 1961, the day Castle & Cooke was listed on the Pacific Coast Stock Exchange. Left to right are Sherman Hoelscher, specialist for the Exchange; A. G. Budge, chairman of the board of Castle & Cooke, and Thomas P. Phelan, president, Pacific Coast Stock Exchange.

Auditors' Report

To the Stockholders of Castle & Cooke, Inc.:

We have examined the statement of consolidated financial condition of Castle & Cooke, Inc. and its subsidiaries as of April 30, 1962 and the related statement of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the consolidated financial position of the companies at April 30, 1962 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins & Sells
Certified Public Accountants

July 2, 1962
Honolulu, Hawaii

CASTLE & COOKE, INC.

directors

A. G. BUDGE, *Chairman*
A. S. ATHERTON
E. E. BLACK
W. M. BUSH
A. L. CASTLE
H. K. L. CASTLE
H. C. CORNUELLE
MALCOLM MACNAUGHTON
J. H. MIDKIFF
GEO. G. MONTGOMERY
J. S. B. PRATT, III
T. F. SANDOZ
A. D. SCHWANER
FREDERICK SIMPICH, JR.
T. G. SINGLEHURST
A. F. STUBENBERG
R. H. WHEELER
J. H. WORRALL

officers

A. G. BUDGE, *Chairman of the Board*
MALCOLM MACNAUGHTON, *President*
W. M. BUSH, *Executive Vice President*
H. K. L. CASTLE, *Vice President*
HENRY B. CLARK, JR., *Vice President and Treasurer*
HOWARD HUBBARD, *Vice President and Controller*
JOHN F. MURPHY, *Vice President and Secretary*
JOHN H. SCOTT, *Vice President, Shipping Operations*
ROBERT S. GORDON, *Assistant Treasurer*
S. P. MCCURDY, *Assistant Treasurer*
J. K. PALK, *Assistant Treasurer*
W. M. HALE, JR., *Assistant Secretary*
R. M. MACFARLANE, *Assistant Secretary*
H. M. RICHARDS, *Assistant Secretary*

auditor

Haskins & Sells, Honolulu

stock transfer agents

Hawaiian Trust Company, Limited, Honolulu
Wells Fargo Bank, San Francisco

registrars

Bishop Trust Company, Limited, Honolulu
Bank of America National Trust &
Savings Association, San Francisco

CASTLE & COOKE, INC. P. O. Box 2990 / Honolulu 2, Hawaii